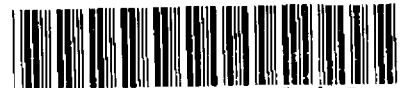


# NEW APPLICATION



0000099019

## ORIGINAL

Richard L. Sallquist  
SALLQUIST, DRUMMOND & O'CONNOR, Arizona Corporation Commission  
1430 East Missouri, Suite B-125  
Phoenix, Arizona 85014  
Telephone: (602) 224-9222  
Fax: (602) 224-9366  
Attorneys for Oak Creek Water Company No.

DOCKETED

MAY 29 2009

RECEIVED

2009 MAY 29 A 11:39

AZ CORP COMMISSION  
DOCKET CONTROL

DOCKETED BY

ne

### BEFORE THE ARIZONA CORPORATION COMMISSION

W-01392A-09-0272

IN THE MATTER OF THE APPLICATION OF ) DOCKET NO. W-01392A-09-  
OAK CREEK WATER COMPANY NO.1., ) APPLICATION  
FOR IMMEDIATE APPROVAL OF AN OFF- ) AND  
SITE FACILITIES HOOK-UP FEE TARIFF ) REQUEST FOR EXPEDITED  
PROCESSING

Oak Creek Water Company No. 1. ("Oak Creek" or the "Company"), by and through undersigned counsel, respectfully states the following in support of this Application:

1. Oak Creek is an Arizona not-for-profit corporation duly organized and existing under the laws of the State of Arizona. Its principal place of business is 90 Oak Creek Blvd., Sedona, Arizona 85336.
2. Oak Creek has been issued a Certificate of Convenience and Necessity by the Commission to provide water utility services in its certificated area in portions of Yavapai County, Arizona.
3. The Company seeks immediate Commission approval of an Off-Site Facilities Hook-Up Fee Tariff (hereinafter "HUF") of \$2,500 for all new 5/8 inch service connections, graduated for larger meter sizes, as more fully set forth in this Application.
4. Oak Creek is undertaking an \$804,180 construction projects (the "Projects") that will serve its approximately 700 existing customers, plus an additional 137 Equivalent Dwelling Units ("EDU's") in its certificated area with a supply of water. The details of the required construction, and its estimated cost, are set forth in the WestLand Resources, Inc. Opinion of Probable Construction Cost for the Project, the Prometheus Systems, LLC. Proposal for a

1 Solar System for the Company's Wells, and the Smyth Steel Manufacturing, Inc. bid for a  
2 Supervisory Control and Data Acquisition ("SCADA") System, all appended hereto as  
3 **Attachment 1** to this Application and incorporated herein by this reference.

4 5. The computation of the Hook-Up Fees for each meter size is set forth on **Attachment 2** to this  
5 Application and incorporated herein by this reference.

6 6. The Company proposes to fund the Project by a combination of a Water Infrastructure Finance  
7 Authority of Arizona ("WIFA") loan (which was filed as a separate Docketed Application of  
8 even date herewith), Developer funded Line Extension Agreements, and the Hook-Up Fee  
9 Tariff as requested herein. The allocation of that funding is set forth on **Attachment 3** to this  
10 Application and incorporated herein by this reference.

11 7. To appropriately assign the costs of the Project among the customers that will create the need  
12 for the additional facilities and benefit therefrom, the Company proposes implementing an HUF  
13 Tariff in a form previously approved by the Commission, and as set forth in **Attachment 4**  
14 hereto and incorporated herein by this reference.

15 8. The Company proposes to fund the cost of the construction of the Project utilizing a Water  
16 Infrastructure Finance Authority of Arizona ("WIFA") loan, the application for approval of  
17 which was filed with the Commission of even date herewith. The Company will use the HUF  
18 proceeds to pay the debt service and /or principal reduction on the requested loan.

19 9. Attached as **Attachment 5** and incorporated herein by this reference for all purposes, is Oak  
20 Creek's Annual Report to the Commission containing an Income Statement and Balance Sheet  
21 for year-end December 31, 2008.


1 10. Due to the growth anticipated in the certificated area in the near future, the Company requests  
2 that the Tariff be approved as soon as possible so that the customers making near-term requests  
3 for service share equally with all customers making future requests for new service .

4 11. The Company will provide notice of the filing of this Application in conformity the anticipated  
5 Procedural Order in this Docket, and will provide a Notice of Publication to that effect as  
6 directed.

7 WHEREFORE, Oak Creek requests that the Commission make such inquiry or  
8 investigation that the Commission may deem necessary and appropriate; and thereafter approve the  
9 Tariff in substantially the form requested herein, and any other provisions deemed appropriate by  
10 the Commission.

11 Respectfully submitted this 29<sup>th</sup> day of May, 2009

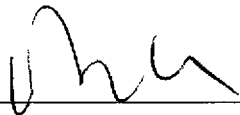
12 SALLQUIST, DRUMMOND & O'CONNOR, P.C.

13 

14 \_\_\_\_\_  
15 Richard L. Sallquist  
16 1430 East Missouri, Suite B-125  
17 Phoenix, Arizona 85014  
18 Attorneys for Oak Creek Water Company No. 1.

19 Original and fifteen copies of the  
20 foregoing filed this 29 day  
21 of May, 2009, with:

22 Docket Control  
23 Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007

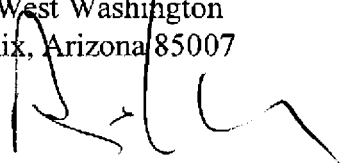


Copies of the foregoing Hand Delivered this 29<sup>th</sup>  
day of May, 2009 to:

Hearing Division  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007

Legal Division  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007

Utilities Division  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007



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**ATTACHMENTS**

**ATTACHMENT**

**DESCRIPTION**

1

PROJECT DESCRIPTIONS

2

HUF COMPUTATION

3

FUNDING ALLOCATION

4

HUF TARIFF

5

FINANCIAL STATEMENTS

## OPINION OF PROBABLE CONSTRUCTION COST

<b>Project Name:</b>	Oak Creek Water Masterplan	<b>Prepared by:</b>	KLW	<b>Date:</b>	3/27/09
<b>Project No.</b>	1593.01 A 8000	<b>Checked by:</b>	MFT	<b>Date:</b>	3/27/09
<b>Location:</b>	Sections 12 and 13, Township 17 North, Range 5 East	<b>Client:</b>	Oak Creek Water Company No. 1		
<b>Description:</b>	Water System Upgrades ~ Option 1				

Item No.	Item Description	Unit	Quantity	Unit Price	Amount	Remarks
	<b>Option 1 - Floating System</b>					
1	New 116,000-gallon storage tank	LS	1	\$120,000	\$120,000	Located at Airport reservoir site. Includes site work.
2	New 8-inch water main	LF	900	\$85	\$76,500	From new tank to Panorama reservoir site
3	New PRV	LS	1	\$10,000	\$10,000	To serve Saddlerock and Mingus Mountain area.
4	300 Gpm Upgrade to Existing Airport Transfer Booster	LS	1	\$60,000	\$60,000	To pump PDD for floating service areas. Includes electrical and instrumentation.
	Subtotal				\$266,500	
	25% Engineering and Contingencies				\$66,625	
	<b>Option 1 Total</b>				<b>\$333,125</b>	
	<b>Cost Allocations for Floating System</b>					Allocation based on % of total demand
	Galloway - Airport 15.1% Allocation				\$50,302	
	Galloway - Kallof 14.6% Allocation				\$48,636	
	Centrum 4.60% Allocation				\$15,324	
	Future Customers 65.7% Allocation				\$218,863	
	<b>Total</b>				<b>\$333,125</b>	

Note: Costs exclude easement and/or property acquisition. Costs exclude rock excavation, if necessary.

## OPINION OF PROBABLE CONSTRUCTION COST

<b>Project Name:</b>	Oak Creek Water Masterplan		<b>Prepared by:</b>	KLW	<b>Date:</b>	3/27/09
<b>Project No.</b>	1593.01 A 8000		<b>Checked by:</b>	MFT	<b>Date:</b>	3/27/09
<b>Location:</b>	Sections 12 and 13, Township 17 North, Range 5 East		<b>Client:</b>	Oak Creek Water Company No. 1		
<b>Description:</b>	Water System Upgrades - Option 1					

Item No.	Item Description	Unit	Quantity	Unit Price	Amount	Remarks
<b>Pipeline Upgrades</b>						
1	New 6-inch water main	LF	2,000	\$85	\$170,000	Augment existing pipeline capacity for fire flow, includes pavement replacement
2	New 4-inch water main	LF	450	\$75	\$33,750	Augment existing pipeline capacity for fire flow, includes pavement replacement
	Subtotal				\$203,750	
	25% Engineering and Contingencies				\$50,938	
	<b>Total</b>				<b>\$254,688</b>	
<b>Cost Allocations for Pipeline Upgrades</b>						
	Galloway - Airport 50% Allocation				\$127,344	
	Existing and Future Water System Customers 50% Allocation				\$127,344	
	<b>Total</b>				<b>\$254,688</b>	

Note: Costs exclude easement and/or property acquisition. Costs exclude rock excavation, if necessary.

## OPINION OF PROBABLE CONSTRUCTION COST

<b>Project Name:</b>	Oak Creek Water Masterplan	<b>Prepared by:</b>	KLW	<b>Date:</b>	3/27/09
<b>Project No.</b>	1593.01 A 8000	<b>Checked by:</b>	MFT	<b>Date:</b>	3/27/09
<b>Location:</b>	Sections 12 and 13, Township 17 North, Range 5 East	<b>Client:</b>	Oak Creek Water Company No. 1		
<b>Description:</b>	Water System Upgrades – Option 1				

Item No.	Item Description	Unit	Quantity	Unit Price	Amount	Remarks
	<b>Airport Onsite Project Cost</b>					
1	New 6-inch water main	LF	950	\$45	\$33,250	To serve project
	25% Engineering and Contingencies				\$8,313	
	<b>Airport Onsite Project Total</b>				<b>\$41,563</b>	
	<b>Cost Allocations for Floating System</b>					
	Galloway - Airport 15.1% Allocation				\$50,302	
	<b>Cost Allocations for Pipeline Upgrades</b>					
	Galloway - Airport 50% Allocation				\$127,344	
	<b>Total Airport On &amp; Offsite Project Cost</b>				<b>\$219,209</b>	
	<b>Kalof Onsite Project</b>					
1	New 8-inch water main	LF	700	\$55	\$38,500	To serve project
	25% Engineering and Contingencies				\$7,875	
	<b>Kalof Onsite Project Total</b>				<b>\$39,375</b>	
	<b>Cost Allocations for Floating System</b>					
	Galloway – Kalof 14.6% Allocation				\$48,636	
	<b>Total Kalof On &amp; Offsite Project Cost</b>				<b>\$88,011</b>	

Note: Costs exclude easement and/or property acquisition. Costs exclude rock excavation, if necessary.



<b>Project Name:</b>	Oak Creek Water Masterplan		
<b>Project No.</b>	1593.01 A 8000		
<b>Location:</b>	Sections 12 and 13, Township 17 North, Range 5 East		
<b>Description:</b>	Water System Upgrades – Option 1		
	<b>Prepared by:</b>	<b>Date:</b>	
	KLW	3/27/09	
	<b>Checked by:</b>	<b>Date:</b>	
	MFT	3/27/09	
	<b>Client:</b>	Oak Creek Water Company No. 1	

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Prometheus Systems, LLC  
11950 N US Hwy 89  
Flagstaff, AZ 86004

## System Options for Oak Creek Water

Site Information		System Specifications				Rebate Options			
Site	Site Average Daily Usage	System Size	Modules	Inverter	Avg. Daily System Output	System Cost	One-Time @2.50/Watt	PBI \$0.25/kWh for 10 years	PBI \$0.18/kwh for 20 years
680 Sunset Dr.	688 kWh/day	26,640 Watts	126 ES-A-210	PVP30K-480	134 kWh/day	\$199,800.00	\$66,600.00	\$12,200.00/yr	\$8,800.00/yr
677 Panorama Blvd	107 kWh/day	12,600 Watts	72 NT-175U1	PVI-13kW	60 kWh/day	\$107,100.00	\$31,500.00	\$5,400.00/yr	\$3,900.00/yr
137 Shrine Rd.	26 kWh/day	4,725 Watts	27 NT-175U1	PVP5300	24 kWh/day	\$42,000.00	\$11,800.00	\$2,150.00/yr	\$1,500.00/yr
90 Oak Creek Blvd	22 kWh/day	4,200 Watts	20 SCM210	M190-72-240	21.5 kWh/day	\$32,760.00	\$10,500.00	\$1,900.00/yr	\$1,400.00/yr

**SMYTH STEEL MANUFACTURING, INC.**  
4010 E. Illinois St.  
Tucson, AZ 85714  
(520) 750-8719  
(520) 750-9544

April 14, 2009  
To: Mark Fenech Oakcreek Water  
Re: SCADA System

Dear Mark,

The following quote is in reference to the SCADA (Supervisory Control And Data Acquisition) system as discussed in our meeting. The system will consist of (6) sites, each site will have a 20' antenna pole and a Nema 3R enclosure to house the control equipment.

**Quote Total \$38,823**

**Feature List**

- Remote access and control of each site from a secure internet connection.
- Alarm notifications sent to cell phones & email. This will allow you to remove the audible alarms currently at the sites.
- Trending database of "Run Time Hours", "Pump On/Off Times" & "System Pressure". If your current flowmeter has a 4-20mA output we can also integrate "G.P.M."
- UL508 Listed Control Panels.
- CAD Schematics.

**Exclusions:**

- Per your request the electrical connections will be made by your electrical contractor.

If you have any questions, please don't hesitate to call me anytime.

Thank you for your consideration,

Ray Rogers  
*Project Manager*  
Smyth Steel/Automation & Control Inc.  
4010 E. Illinois Ave.  
Tucson, Arizona 85714  
[Ray@SmythSteel.com](mailto:Ray@SmythSteel.com)  
Office 520.750.8719  
Cell 520.301.5604

License #ROC154663 A-General Engineering  
License #ROC171540 L-11 Electrical  
ASME Boiler and Pressure Vessel 'U' Certified  
The National Board of Boiler and Pressure Vessel Inspectors 'R' Certified  
UL 508A Manufacturing #E306021

# OAK CREEK WATER COMPANY NO. 1 HOOK-UP FEE COMPUTATION

## CUSTOMERS

	Residential		Commercial		Irrigation		Fire Service		Total	
	Number	Meter Size	Number	Meter Size	Number	Meter Size	Number	Meter Size	Meters	EDU's
1	64	5/8	5	1 1/2	1	5/8	5	3/4	75	97.5
2										
3	0	5/8	2	3	2	5/8	2	3/4	1	2.5
									82	137

## HOOK-UP FEE COMPUTATION

Total Cost	\$ 1,045,796
Less: Developer Funded Portion	\$ 241,606
Less: Company Funded thru Rates	\$ 457,983
HUF Portion	\$ 346,207
HUF Units	137
Hook-Up Fee for 5/8 Inch Meter	\$ 2,527
Hook Up Fee Rounded	\$ 2,500

## METER HUF'S

Meter Size	EDU	HUF
5/8	1.0	\$ 2,500
3/4	1.5	\$ 3,750
1	2.5	\$ 6,250
1 1/2	5.0	\$ 12,500
2	8.0	\$ 20,000
3	16.0	\$ 40,000
4	25.0	\$ 62,500
6	50.0	\$ 125,000

# OAK CREEK WATER COMPANY NO.1 FUNDING SUMMARY

## PROJECT ALLOCATION

	Airport	Kaloff	Centrum	Other HUF's	Company Funded	Total
1 Floating System	\$ 50,302.00	\$ 48,636.00	\$ 15,324.00	\$ 218,863.00	\$ -	\$ 333,125.00
2 Pipeline Upgrades	\$ 127,344.00			\$ 127,344.00		\$ 254,688.00
3 Back-up Power					\$ 37,500.00	\$ 37,500.00
4 Solar Sysrem					\$ 381,660.00	\$ 381,660.00
5 SCADA System					\$ 38,823.00	\$ 38,823.00
6 Totals	\$ 177,646.00	\$ 48,636.00	\$ 15,324.00	\$ 346,207.00	\$ 457,983.00	\$ 1,045,796.00

## FUNDING RESPONSIBILITY

	Airport	Kaloff	Centurium	Company Funded	Company Funded	Total
7 Developer Funded Backbone	\$ 177,646.00	\$ 48,636.00	\$ 15,324.00			\$ 241,606.00
8 HUF Funded Backbone				\$ 346,207.00 (1)		\$ 346,207.00
9 Company Funded					\$ 457,983.00 (2)	\$ 457,983.00
10 WIFA Loan						\$ 804,190.00
11 Total Funding						\$ 1,045,796.00

## ADDITIONAL DEVELOPER RESPONSIBILITY

12 On-Site Facilities	\$ 41,563.00	\$ 39,375.00	\$ 25,000.00 (3)			\$ 105,938.00
13 Developer LXA Total	\$ 219,209.00	\$ 88,011.00	\$ 40,324.00			\$ 347,544.00

(1) Initially funded by WIFA Loan, to be ultimately funded by HUF's

(2) Funded by WIFA Loan and recoverd through rates

(3) Estimated

**OAK CREEK WATER COMPANY, NO. 1**

DOCKET W-01392

---

**TARIFF**

---

Issued \_\_\_\_\_

ISSUED BY:

Effective \_\_\_\_\_

Dick Sitts, President  
OAK CREEK WATER COMPANY NO.1  
90 Oak Creek Blvd.  
Sedona, Arizona 85336

71014.00000.37

**ATTACHMENT 4**

DOCKET W-01412

Canceling Sheet No.

---

Applies to all **WATER** service areas

**PART ONE**  
**STATEMENT OF CHARGES**  
**WATER SERVICE**

A. Off-Site Facilities Hook-Up Fee

1. Purpose and Applicability

The purpose of the hook-up fees payable to OAK CREEK WATER COMPANY NO. 1. ("the Company") pursuant to this tariff is to equitably apportion the costs of constructing additional facilities to provide mandated pressures and volumes to all new service connections.

These charges are applicable to all new service connections established after the effective date of this Tariff. The charges are one-time charges and are payable as a condition to the Company's establishment of service, as more particularly provided below.

2. Definitions

Unless the context otherwise requires, the definitions set forth in R-14-2-01 of the Arizona Corporation Commission's ("Commission") rules and regulations governing water utilities shall apply in interpreting, this tariff schedule.

"Applicant" means any party entering into an agreement with Company for the installation of water facilities to serve new service connections.

"Company" means OAK CREEK WATER COMPANY NO. 1., an Arizona corporation.

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Issued \_\_\_\_\_

Effective \_\_\_\_\_

ISSUED BY:

Dick Sitts, President  
OAK CREEK WATER COMPANY NO. 1.  
90 Oak Creek Blvd.  
Sedona, Arizona 85336

DOCKET W-01412

Canceling Sheet No.

---

Applies to all **WATER** service areas

**PART ONE**

**STATEMENT OF CHARGES**  
**WATER SERVICE**

"Main Extension Agreement" means any agreement whereby an Applicant agrees to advance the costs of the installation of water facilities to the Company to serve new service connections, or install water facilities to serve new service connections and transfer ownership of such water facilities to the Company, which agreement shall require the approval of the Commission (same as line extension agreement).

"Off-Site Facilities" means wells, storage tanks and related appurtenances necessary for proper operation, including, engineering and design costs. Off-Site facilities may also include booster pumps, pressure tanks, transmission mains and related appurtenances necessary for proper operation, if these facilities are not for the exclusive use of the applicant and these facilities will benefit the entire water system.

"Service Connection" means and includes all service connections for residential, commercial, industrial, or other uses, regardless of meter size.

---

Issued \_\_\_\_\_

Effective \_\_\_\_\_

ISSUED BY:

Dick Sitts, President  
OAK CREEK WATER COMPANY NO. 1.  
90 Oak Creek Blvd.  
Sedona, Arizona 85336



DOCKET W-01412

Canceling Sheet No.

---

Applies to all **WATER** service areas

**PART ONE****STATEMENT OF CHARGES**  
**WATER SERVICE**3. Off-Site Facilities Hook-Up Charges

Each new service connection shall pay the total Off-Site Facility Hook-Up Fee, derived from the following table:

OFF-SITE FACILITIES HOOK-UP FEE TABLE		
Meter Size	NARUC Meter Factor	Fee
5/8"	1	\$2,500
3/4"	1.5	\$3,750
1"	2.5	\$6,250
1 - 1/2"	5.0	\$12,500
2"	8.0	\$20,000
3"	10.0	\$40,000
4"	25.0	\$62,500
6"	50.0	\$125,000

4. Terms and Conditions

- (a.) Assessment of One Time Hook-Up Charge: The Hook-Up Fee may be assessed only once per service connection, or lot within a platted subdivision (similar to meter and service line installation charges). However, this provision does not exempt from the Hook-Up Fee, any newly created parcel(s) which are the result of further subdivision of a lot or land parcel and which do not have a service connection.

Issued \_\_\_\_\_

Effective \_\_\_\_\_

ISSUED BY:

Dick Sitts, President  
OAK CREEK WATER COMPANY NO. 1.  
90 Oak Creek Blvd.  
Sedona, Arizona 85336

DOCKET W-01412

Canceling Sheet No.

---

Applies to all WATER service areas

**PART ONE****STATEMENT OF CHARGES****WATER SERVICE**

- (b.) Use of Off-Site Facilities Hook-Up Fee: Hook-Up Fees may only be used to pay for the capital items of off-site facilities, or for repayment of loans obtained for installation of off-site facilities. Off Site Hook-Up Fees shall not be used for repairs, maintenance, plant replacements, or operational purposes.
- (c.) Time of Payment:
- (1) In the event that the Applicant is required to enter into a main extension agreement, whereby the Applicant agrees to advance the costs of installing mains, valves, fittings, hydrants and other on-site improvements in order to extend service in accordance with R-14-2-406 (B), payment of the charges required hereunder shall be made by the Applicant within 15 calendar days after receipt of notification from the Company that the Utilities Division of the Commission has approved the main extension agreement in accordance with R14-2-406(M).
  - (2) In the event that the Applicant is not required to enter into a main extension agreement, the charges hereunder shall be due and payable at the time the meter and service line installation fee is due and payable.
- (d.) Failure to Pay Charges, Delinquent Payments: - Under no circumstances will the Company set a meter or otherwise allow service to be established if the Applicant has not paid in full all charges as provided by this Off-Site Facilities Hook-Up Fee Tariff.

---

Issued \_\_\_\_\_

Effective \_\_\_\_\_

ISSUED BY:

Dick Sitts, President  
OAK CREEK WATER COMPANY NO. 1.  
90 Oak Creek Blvd.  
Sedona, Arizona 85336

DOCKET W-01412

Canceling Sheet No.

---

Applies to all WATER service areas

**PART ONE**

**STATEMENT OF CHARGES**  
**WATER SERVICE**

- (e.) Off-Site Facilities Hook-Up Fee Non-refundable: - The amounts collected by the Company pursuant to the Off-Site Facilities Hook-Up Fee shall be non-refundable contributions in aid of construction.
- (f.) Use of Charges Received: All funds collected by the Company as Off-Site Facilities Hook-Up Fees, shall be deposited into a separate interest bearing trust account and used solely for the purposes of paying for the costs of off-site facilities, including repayment of loans obtained for the installation of off-site facilities that will benefit the entire water system.
- (g.) Off-Site Facilities Hook-Up Fees In Addition to Other Charges: The Off-Site Facilities Hook-Up Fees shall be in addition to any costs associated with a main extension agreement for on-site facilities, and are in addition to the amounts to be advanced pursuant to charges authorized under other sections of this Tariff.
- (h.) Disposition of Excess Funds: After all necessary and desirable off-site facilities are constructed utilizing funds collected pursuant to the Off-Site Facilities Hook-Up Fee or the Off-Site Hook-Up Fee Tariff has been terminated by order of the Commission, any funds remaining in the trust shall be refunded. The manner of the refund shall be determined by the Commission at the time a refund becomes necessary.
- (i.) Fire Flow Requirements: In the event the applicant for service has fire flow requirements that require additional facilities beyond those facilities whose costs were generally provided or estimated in the Application for this Tariff, the Company may require the Applicant to install such additional facilities as are required to meet those additional fire flow requirements, as a non-refundable contribution, in addition to the Off-Site Facilities Hook-Up Fee.
- 

Issued \_\_\_\_\_

Effective \_\_\_\_\_

ISSUED BY:

Dick Sitts, President  
OAK CREEK WATER COMPANY NO. 1.  
90 Oak Creek Blvd.  
Sedona, Arizona 85336

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

OAK CREEK WATER CO., NO 1  
90 OAK CREEK BLVD  
SEDONA, AZ 86336

**ANNUAL REPORT**  
**WATER**

FOR YEAR ENDING

12	31	2008
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FOR COMMISSION USE

ANN 04	08
--------	----

PROCESSED BY:

SCANNED

## COMPANY INFORMATION

<b>Company Name (Business Name)</b> <u>OAK CREEK WATER CO. NO. 1</u>		
<b>Mailing Address</b> <u>90 OAK CREEK BLVD</u>		
<u>SEDONA</u> (City)	<u>AZ</u> (State)	<u>86336</u> (Zip)
<u>(928) 282-3404</u> Telephone No. (Include Area Code)	<u>(928) 282-5558</u> Fax No. (Include Area Code)	<u>(928) 300-3835</u> Cell No. (Include Area Code)
<b>Email Address</b> <u>INFO@OAKCREEKWATER.COM</u>		
<b>Local Office Mailing Address</b> <u>SAME AS ABOVE</u>		
<u></u> (City)	<u></u> (State)	<u></u> (Zip)
<u></u> Local Office Telephone No. (Include Area Code)	<u></u> Fax No. (Include Area Code)	<u></u> Cell No. (Include Area Code)
<b>Email Address</b> <u></u>		

## MANAGEMENT INFORMATION

<b>Management Contact:</b> <u>DICK SITTS, PRESIDENT</u>		
<u></u> (Name)	<u></u> (Title)	
<u>45 SYCAMORE CANYON ROAD</u> (Street)	<u>SEDONA</u> (City)	<u>AZ</u> (State)
<u>(928) 282-3404</u> Telephone No. (Include Area Code)	<u>(928) 282-5558</u> Fax No. (Include Area Code)	<u>(928) 300-3835</u> Cell No. (Include Area Code)
<b>Email Address</b> <u>INFO@OAKCREEKWATER.COM</u>		
<b>On Site Manager:</b> <u>STEVE YERICH</u>		
<u></u> (Name)		
<u>18 TANAGER LANE</u> (Street)	<u>SEDONA</u> (City)	<u>AZ</u> (State)
<u>(928) 282-3404</u> Telephone No. (Include Area Code)	<u>(928) 282-5558</u> Fax No. (Include Area Code)	<u>(928) 300-3835</u> Cell No. (Include Area Code)
<b>Email Address</b> <u>STEVEYERICH@OAKCREEKWATER.COM</u>		

**Statutory Agent:** RONALD N. ROVEY

(Name)

1785 W. HIGHWAY 89A, SUITE 3-I

(Street)

SEDONA

(City)

AZ

(State)

86336

(Zip)

(928) 282-1155

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

**Attorney:** SAME AS ABOVE

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

### **OWNERSHIP INFORMATION**

Check the following box that applies to your company:

☐ **Sole Proprietor (S)**

☐ **C Corporation (C) (Other than Association/Co-op)**

☐ **Partnership (P)**

☐ **Subchapter S Corporation (Z)**

☐ **Bankruptcy (B)**

☒ **Association/Co-op (A)**

☐ **Receivership (R)**

☐ **Limited Liability Company**

☐ **Other (Describe)** \_\_\_\_\_

### **COUNTIES SERVED**

Check the box below for the county/ies in which you are certificated to provide service:

☐ **APACHE**

☐ **COCHISE**

☐ **COCONINO**

☐ **GILA**

☐ **GRAHAM**

☐ **GREENLEE**

☐ **LA PAZ**

☐ **MARICOPA**

☐ **MOHAVE**

☐ **NAVAJO**

☐ **PIMA**

☐ **PINAL**

☐ **SANTA CRUZ**

☒ **YAVAPAI**

☐ **YUMA**

☐ **STATEWIDE**

COMPANY NAME

OAK CREEK WATER CO. NO. 1

**UTILITY PLANT IN SERVICE**

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises	4,277		4,277
303	Land and Land Rights	19,348		19,348
304	Structures and Improvements	299,292	173,556	125,736
307	Wells and Springs	120,660	93,273	27,387
311	Pumping Equipment	83,501	65,710	17,791
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	180,816	119,051	61,765
331	Transmission and Distribution Mains	617,707	417,840	199,867
333	Services	19,952	10,896	9,056
334	Meters and Meter Installations	41,447	35,472	5,975
335	Hydrants	24,761	13,663	11,098
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	22,526	15,879	6,647
341	Transportation Equipment	25,636	25,636	0
343	Tools, Shop and Garage Equipment	4,241	2,846	1,395
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment	5,103	5,103	0
347	Miscellaneous Equipment	1,493	1,493	0
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>1,470,760</b>	<b>980,418</b>	<b>490,342</b>

This amount goes on the Balance Sheet Acct. No. 108

**COMPANY NAME**

**OAK CREEK WATER CO. NO. 1**

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (1)</b>	<b>Depreciation Percentage (2)</b>	<b>Depreciation Expense (1x2)</b>
301	Organization			
302	Franchises	4,277		
303	Land and Land Rights	19,348		
304	Structures and Improvements	299,292	3.33%	9,936
307	Wells and Springs	120,660	3.33%	4,018
311	Pumping Equipment	83,501	12.50%	9,558
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	180,816	2.22%	3,956
331	Transmission and Distribution Mains	617,707	2.00%	12,354
333	Services	19,952	3.33%	664
334	Meters and Meter Installations	41,447	8.33%	3,403
335	Hydrants	24,761	2.00%	451
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	22,526	6.67/20.00%	3,870
341	Transportation Equipment	25,636	20.00%	0
343	Tools, Shop and Garage Equipment	4,241	5.00%	212
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment	5,103	10.00%	0
347	Miscellaneous Equipment	1,493	10.00%	0
348	Other Tangible Plant			
	SUBTOTAL	1,470,760		48,422
	CIAC AMORTIZATION			(1,320)
	TOTALS	1,470,760		47,102

This amount goes on Comparative Statement of Income and Expense Acct. No. 403.



# ULLMANN & COMPANY P.C.

Certified Public Accountants

To the Board of Directors of  
Oak Creek Water Co., No. 1  
Sedona, Arizona

We have compiled the balance sheet of Oak Creek Water Co., No. 1 (a corporation) as of December 31, 2008 and 2007, and the comparative statement of income and expense for the years then ended included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation was limited to presenting in the form prescribed by the Arizona Corporation Commission information that is the representation of management. We have not audited or reviewed the financial statements referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements are presented in accordance with the requirements of the Arizona Corporation Commission, which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

All other information contained in the accompanying prescribed form has not been audited, reviewed, or compiled by us and, accordingly, we assume no responsibility for that information.

*Ullmann & Company*

ULLMANN & COMPANY, P.C.  
Certified Public Accountants

April 21, 2009

**COMPANY NAME**

**OAK CREEK WATER CO. NO. 1**

**BALANCE SHEET**

Acct. No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 75	\$ 43,366
134	Working Funds	49,217	0
135	Temporary Cash Investments	330,180	0
141	Customer Accounts Receivable	13,533	21,675
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies	8,582	8,582
162	Prepayments	0	2,918
174	Miscellaneous Current and Accrued Assets	9,611	30,553
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	<b>\$ 411,198</b>	<b>\$ 107,094</b>
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 1,392,698	\$ 1,470,760
103	Property Held for Future Use		
105	Construction Work in Progress	0	52,480
108	Accumulated Depreciation - Utility Plant	879,008	980,418
121	Non-Utility Property		
122	Accumulated Depreciation - Non Utility		
	<b>TOTAL FIXED ASSETS</b>	<b>\$ 513,690</b>	<b>\$ 542,822</b>
	<b>TOTAL ASSETS</b>	<b>\$ 924,888</b>	<b>\$ 649,916</b>

NOTE: The Assets on this page should be equal to Total Liabilities and Capital on the following page.

<b>COMPANY NAME</b>
<b>OAK CREEK WATER CO. NO. 1</b>

**BALANCE SHEET - (CONTINUED)**

<b>Acct. No.</b>	<b>LIABILITIES</b>	<b>BALANCE AT BEGINNING OF YEAR</b>	<b>BALANCE AT END OF YEAR</b>
	<b>CURRENT LIABILITES</b>		
231	Accounts Payable	\$ -	\$ -
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	3,400	4,764
236	Accrued Taxes	9,175	17,711
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	0	64
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 12,575	\$ 22,539
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$ -	\$ -
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$ -	\$ -
252	Advances in Aid of Construction	217,888	0
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	361,809	368,584
272	Less: Amortization of Contributions	316,845	329,645
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$ 262,852	\$ 38,939
	<b>TOTAL LIABILITIES</b>	\$ 275,427	\$ 61,478
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ -	\$ -
211	Paid in Capital in Excess of Par Value	17,605	17,605
215	Retained Earnings	638,533	570,833
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$ 656,138	\$ 588,438
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 931,565	\$ 649,916

**COMPANY NAME****OAK CREEK WATER CO. NO. 1****COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

<b>Acct. No.</b>	<b>OPERATING REVENUES</b>	<b>PRIOR YEAR</b>	<b>CURRENT YEAR</b>
461Me	tered Water Revenue	\$ 274,622	\$ 265,794
460Unmete	red Water Revenue		
474Other	Water Revenues	6,151	5,394
	<b>TOTAL REVENUES</b>	<b>\$ 280,773</b>	<b>\$ 271,188</b>
	<b>OPERATING EXPENSES</b>		
601S	alaries and Wages	\$ 128,742	\$ 141,933
610P	urchased Water	86	0
615P	urchased Power	43,207	45,001
618Chemica	ls		
620Re	pairs and Maintenance	15,147	6,011
621Of	fice Supplies and Expense	12,933	4,326
630Outside	Services	6,280	6,149
635Water	Testing	2,747	9,814
641Re	nts		
650Transportation	Expenses	3,558	2,745
657I	nsurance - General Liability	5,582	9,456
659I	nsurance - Health and Life	15,948	10,150
666Re	gulatory Commission Expense - Rate Case	5,398	(4,061)
675Misc	ellaneous Expense	3,378	14,441
403De	preciation Expense	37,557	47,102
408Tax	es Other Than Income	21	10,865
408.11	Property Taxes	11,487	9,168
409I	ncome Tax		
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 292,071</b>	<b>\$ 313,100</b>
	<b>OTHER INCOME/EXPENSE</b>		
419I	nterest and Dividend Income	17,373	8,968
421Non-Util	ity Income	12,200	0
426Misc	ellaneous Non-Utility Expenses		
427I	nterest Expense	15	14
	<b>TOTAL OTHER INCOME/EXP</b>	<b>\$ 29,558</b>	<b>\$ 8,954</b>
	<b>NET INCOME/(LOSS)</b>	<b>\$ 18,260</b>	<b>\$ (32,958)</b>

See Accountants' Compilation Report

<b>COMPANY NAME</b>	<b>OAK CREEK WATER CO. NO. 1</b>
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**SUPPLEMENTAL FINANCIAL DATA**

**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End	\$ _____
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Meter Deposits Refunded During the Test Year	\$ _____
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<b>COMPANY NAME</b>	
<b>Name of System:</b>	<b>ADEQ Public Water System Number:</b>

## **WATER COMPANY PLANT DESCRIPTION**

### **WELLS**

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled

\* Arizona Department of Water Resources Identification Number

### **OTHER WATER SOURCES**

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity

***Note: If you are filing for more than one system, please provide separate sheets for each system.***

<b>COMPANY NAME</b>	
<b>Name of System:</b>	<b>ADEQ Public Water System Number:</b>

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

**MAINS**

Size (in inches)	Material	Length (in feet)
2		
3		
4		
5		
6		
8		
10		
12		

**CUSTOMER METERS**

Size (in inches)	Quantity
5/8 X 3/4	
3/4	
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

**For the following three items, list the utility owned assets in each category for each system.**

**TREATMENT EQUIPMENT:**

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**STRUCTURES:**

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**OTHER:**

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***Note: If you are filing for more than one system, please provide separate sheets for each system.***

COMPANY NAME OAK CREEK WATER CO. NO. 1 YEAR ENDING 12/31/2008

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>TAX EXEMPT</u>
Estimated or Actual Federal Tax Liability	<u>TAX EXEMPT</u>

State Taxable Income Reported	<u>TAX EXEMPT</u>
Estimated or Actual State Tax Liability	<u>TAX EXEMPT</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>N/A</u>
Amount of Gross-Up Tax Collected	<u>N/A</u>
Total Grossed-Up Contributions/Advances	<u>N/A</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

\_\_\_\_\_  
**SIGNATURE**

\_\_\_\_\_  
**DATE**

\_\_\_\_\_  
**PRINTED NAME**

\_\_\_\_\_  
**TITLE**



**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

**VERIFICATION**  
COU  
**STATE OF ARIZONA**  
**I, THE UNDERSIGNED**  
**OF THE**

NTY OF (COUNTY NAME)
<b>YAVAPAI</b>
NAME (OWNER OR OFFICIAL) TITLE
<b>DICK SITTS, PRESIDENT</b>
COMPANY NAME
<b>OAK CREEK WATER CO. NO. 1</b>

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2008

**HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.**

**SWORN STATEMENT**

**IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2008 WAS:**

Arizona Intrastate Gross Operating Revenues Only (\$)
\$ <u>294,671</u>

**(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 23,483  
IN SALES TAXES BILLED, OR COLLECTED)**

**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

**SUBSCRIBED AND SWORN TO BEFORE ME**

**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

**THIS**  **DAY OF**

**(SEAL)**

**MY COMMISSION EXPIRES** \_\_\_\_\_

\_\_\_\_\_  
SIGNATURE OF OWNER OR OFFICIAL

\_\_\_\_\_  
TELEPHONE NUMBER

COUNTY NAME	
MONTH	20__

\_\_\_\_\_  
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE**  
Intrastate Revenues Only

**VERIFICATION**

**STATE OF ARIZONA**

**I, THE UNDERSIGNED**

**OF THE**

COUNTY OF (COUNTY NAME)	YAVAPAI	
NAME (OWNER OR OFFICIAL)	DICK SITTS	TITLE PRESIDENT
COMPANY NAME	OAK CREEK WATER CO. NO. 1	

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2008

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2008 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ <u>237,455</u>

THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 18,923  
IN SALES TAXES BILLED, OR COLLECTED)

**\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.**

\_\_\_\_\_  
SIGNATURE OF OWNER OR OFFICIAL

\_\_\_\_\_  
TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME**

**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

**THIS**

--

**DAY OF**

NOTARY PUBLIC NAME	
COUNTY NAME	
MONTH	.20__

**(SEAL)**

**MY COMMISSION EXPIRES**

**X**

\_\_\_\_\_  
SIGNATURE OF NOTARY PUBLIC

# ARIZONA DEPARTMENT OF REVENUE

## Property Tax Division - Centrally Valued Property Unit

1600 West Monroe, Room 820, Phoenix, Arizona 85007-2650

Phone (602) 716-6843

Fax (602) 542-4425

E-mail address: [cobrien@azdor.gov](mailto:cobrien@azdor.gov)

Direct phone number: (602) 716-6835



TAX YEAR 2010

## WATER, SEWER AND WASTEWATER UTILITY COMPANIES

### PROPERTY TAX FORM

**FILING DUE DATE: APRIL 1, 2009**

CVP Tax ID: 55-187

Company Name: OAK CREEK WATER CO., NO. 1

Contact: Dick Sitts

Address: 90 Oak Creek Blvd

City, State, Zip Code: Sedona, AZ 86336

OFFICIAL MAILING ADDRESS  
(Please enter correct name and address)

PROPERTY TAX FORM  
WATER, SEWER AND WASTEWATER UTILITY COMPANIES  
Tax Year 2010

TABLE OF CONTENTS

<u>Property Tax Form :</u>	Section
Instructions on following page	
Proprietary Data (Tab 1) .....	1
Balance Sheet, Income and Financial Data (Tab 2) .....	2
Non-Capitalized Leased or Rented Operating Property (Tab 3) .....	3
New Operating Land Additions (Tab 4) .....	4
Non-Operating Property (Tab 5) .....	5
Verification / Notary Page (Tab 6) .....	6

TAX YEAR 2010  
**WATER, SEWER AND WASTEWATER  
UTILITY COMPANIES**

**PROPERTY TAX FORM INSTRUCTIONS**

This report is required to be filed in order to provide the information necessary for the determination of the full cash value of your water, sewer and/or wastewater utility company property in Arizona valued under provisions of A.R.S. §§ 42-14151 through 42-14153.

Return the complete report. **DO NOT DETACH ANY PAGES.** The verification page in Section 6 must be signed and notarized for the report to be considered complete.

The CVP Tax ID number is the number assigned to you that begins with "55-". You will find it on the mailing envelope for this tax form, and it also appears on almost all of the official correspondence from this office. If you do not know your CVP Tax ID number, or cannot find it, please call Carole O'Brien at (602) 716-6835.

**REFUSAL OR FAILURE TO FILE:** Failure to file a completed report on or before April 1st, or the extended due date if an extension is granted, will result in a valuation of one hundred five percent of the prior year's full cash value or a value based upon other information available to the Department (A.R.S. § 42-14152). In addition, a penalty will be assessed in the amount of the lesser of one-half of one percent of the value estimated by the Department, or one hundred dollars per day for each day the company fails to file the report beyond the original due date of April 1, 2009. If a penalty is assessed for late filing, the taxpayer may request an abatement of the penalty. The request must be in writing. Abatements will depend on the taxpayer's filing history and whether or not the taxpayer is current on its property taxes.

If the report is not filed by May 20, 2009, the company forfeits its right to appeal the valuation and classification pursuant to A.R.S. § 42-14005 (A.R.S. § 42-14152(D)).

One copy of PS1220-01 (Statement of Original Cost) and one copy of PS1220-12 (Operating Land) are included with this report. Please update the information on these forms and return them to the Department. Make a copy of the report with all the attachments for your files, and send the original to the Department. If you have any questions concerning the report, please contact Carole O'Brien at (602) 716-6835.

A separate Property Tax Form must be prepared and submitted for each company with an individual and separate CC&N, operating in the State of Arizona and regulated by the Arizona Corporation Commission.

*If you would like an electronic version of this report (Excel spreadsheet), send your request to [cobrien@azdor.gov](mailto:cobrien@azdor.gov).* Please note that at this time, because of confidentiality concerns, we can not accept completed reports via e-mail. Reports must be signed, notarized and returned via regular or express mail to the Department on or before April 1, 2009.

PROPERTY TAX FORM  
WATER, SEWER AND WASTEWATER UTILITY COMPANIES  
Tax Year 2010

PROPRIETARY DATA

Company Name: OAK CREEK WATER CO., NO. 1 CVP Tax ID: 55-187

**Indicate type of organization:**

☒ Corporation ☐ Partnership ☐ Sole Proprietorship

If applicable, State of Incorporation Arizona Organization year: 1953

☒ President/CEO ☐ Managing Partner ☐ Owner

Name: Dick Sitts Title: President

Address: 90 Oak Creek Blvd

City, State, Zip Code: Sedona, AZ 86336

**Refer all correspondence to:**

Name: Dick Sitts Title: President

Address: 90 Oak Creek Blvd

City, State, Zip Code: Sedona, AZ 86336

Telephone No.: 928-282-3404 Fax No.: 928-282-5558

E-mail Address: info@oakcreekwater.com

[Note: If this report is prepared by a CPA who is not a full-time employee of the company,  
please provide details including name, firm, address and telephone number on page 5]

Are you regulated by the Arizona Corporation Commission?

☒ Yes ☐ No

What services do you provide your customers?

☒ Water ☐ Sewer ☐ Both

Number of customers:

Year in which operations commenced in Arizona: 1953

Location of property: County(ies) served: See Attached Schedule  
Section(s), Township, Range:

If this report is prepared by a CPA not associated or affiliated with the company, please provide details here:

Name: Peggy H. Ullmann

Title: CPA

CPA Firm: Ullmann & Company, P.C.

Address: 4647 N. 32nd Street, Suite 220

City, State, Zip Code: Phoenix, AZ 85018

Telephone No.: 602-224-0166

Fax No.: 602-224-6062

E-mail Address: peggy@ullmanncpa.com

Comments:

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If you have only recently been granted a CC&N from the Corporation Commission and as yet do not provide service to any customers, have no revenues or property, you do not need to complete the remainder of this report. Complete the certification below and return the report to the Department by the filing deadline, April 1, 2009.

#### CERTIFICATION

I hereby certify that, to the best of my knowledge and belief, water and/or sewer services were not provided to any customers during the year ended December 31, 2008 and the company has no property operating at this time.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2009

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

**PROPERTY TAX FORM**  
**WATER, SEWER AND WASTEWATER UTILITY COMPANIES**  
 Tax Year 2010  
**BALANCE SHEET AND INCOME INFORMATION**

Company Name: **OAK CREEK WATER CO., NO. 1**CVP Tax ID: **55-187****FINANCIAL DATA****Year Ended**  
**12/31/2008****1. ORIGINAL COST of PLANT IN SERVICE**

Include the original capitalized cost of all property owned or leased by the utility company for use in its operations. Include all structures and improvements, wells and springs, pumping equipment, water/sewer treatment equipment, transmission and distribution mains, services, meters, hydrants and all other miscellaneous equipment and supplies. **DO NOT INCLUDE LAND AND LAND RIGHTS.**

**\$1,421,499****2. LICENSED TRANSPORTATION\*****\$25,636****3. TOTAL PLANT IN SERVICE****\$1,447,135****4. REPORT NET BOOK VALUE OF LICENSED TRANSPORTATION**

Report only the vehicles that are licensed and used strictly for the utility company's purposes from Item 2 above. "Net book value" is defined as the original cost minus accumulated depreciation.

**5. LAND AND LAND RIGHTS****\$19,348****6. CONSTRUCTION WORK IN PROGRESS****\$52,480**

Report any cost of the plant in the process of construction, but not ready for service as of December 31, 2008.

Comments:

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**NOTE:** \*To be separately extracted from utility plant accounts.

Explain any significant increase or decrease from the previous year in the comment section.

The information contained herein is subject to verification with information reported to the Arizona Corporation Commission. On the accompanying copy of PS1220-01 (Statement of Original Cost per Balance Sheet) the totals reported under Current Year Buildings and Structures plus Current Year Personal Property should equal Item 1 (Original Cost of Plant in Service).



**PROPERTY TAX FORM**  
**WATER, SEWER AND WASTEWATER UTILITY COMPANIES**  
Tax Year 2010  
**BALANCE SHEET AND INCOME INFORMATION**

Company Name: OAK CREEK WATER CO., NO. 1 CVP Tax ID: 55-187

**INCOME DATA**

**Year Ended**  
**12/31/2008**

**1. GROSS OPERATING REVENUES**

Report all monies collected from the sales to all customer classes (residential and commercial), including monies collected for connect/disconnect fees, testing, maintenance and repair charges paid by customer. Also include monies collected for city and/or state transaction privilege (sales) or use tax.

294,671

**2. SALES TAX**

Report all monies collected for city and/or state transaction privilege (sales) or use tax.

23,483

**3. ADJUSTED GROSS REVENUES**

Subtract SALES TAX (2) from GROSS OPERATING REVENUES (1)

\$271,188

**Note:**

Explain any significant increase or decrease in revenues from previous year in the comment section.

**Comments:**

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BY SIGNING THE VERIFICATION PAGE, THE TAXPAYER WAIVES ALL CONFIDENTIALITY REQUIREMENTS OF A.R.S. §842-2001 THROUGH 42-2004 WITH RESPECT TO THIS PAGE AND CONSENTS TO THE DISCLOSURE OF THE CONTENTS OF THIS PAGE TO COUNTY ASSESSOR PERSONNEL BY THE ARIZONA DEPARTMENT OF REVENUE.

**PROPERTY TAX FORM**  
**WATER, SEWER AND WASTEWATER UTILITY COMPANIES**  
**Tax Year 2010**

**NON-CAPITALIZED LEASED OR RENTED OPERATING PROPERTY**

For year ended December 31, 2008

**OAK CREEK WATER CO., NO. 1**

**Company Name**

**55-187**

CVP Tax ID

[illegible]

BY SIGNING THE VERIFICATION PAGE, THE TAXPAYER WAIVES ALL CONFIDENTIALITY REQUIREMENTS OF A.R.S. §§ 42-2001 THROUGH 42-2004 WITH RESPECT TO THIS PAGE AND CONSENTS TO THE DISCLOSURE OF THE CONTENTS OF THIS PAGE TO COUNTY ASSESSOR PERSONNEL BY THE ARIZONA DEPARTMENT OF REVENUE.

PROPERTY TAX FORM  
WATER, SEWER AND WASTEWATER UTILITY COMPANIES  
Tax Year 2010

## OPERATING LAND ADDITIONS

(Not reported in Attached Operating Land Report PS 1220-12)

For year ended December 31, 2008

OAK CREEK WATER CO., NO. 1

**55-187**

**Company Name**

CVP Tax ID

[illegible]

BY SIGNING THE VERIFICATION PAGE, THE TAXPAYER WAIVES ALL CONFIDENTIALITY REQUIREMENTS OF A.R.S. §§ 42-2001 THROUGH 42-2004 WITH RESPECT TO THIS PAGE AND CONSENTS TO THE DISCLOSURE OF THE CONTENTS OF THIS PAGE TO COUNTY ASSESSOR PERSONNEL BY THE ARIZONA DEPARTMENT OF REVENUE.

PROPERTY TAX FORM  
WATER, SEWER AND WASTEWATER UTILITY COMPANIES  
Tax Year 2010  
NON-OPERATING PROPERTY INCLUDING LAND AND IMPROVEMENTS

For year ended December 31, 2008

**OAK CREEK WATER CO., NO. 1**

**Company Name**

**55-187**

CVP Tax ID

[illegible]

PROPERTY TAX FORM  
WATER, SEWER AND WASTEWATER UTILITY COMPANIES  
Tax Year 2010

VERIFICATION

State of ARIZONA

County of YAVAPAI

I, DICK SITTS, being duly sworn, upon my oath say that I am  
the PRESIDENT of OAK CREEK WATER CO., NO. 1 and that  
the information contained in this report is complete, true and correct, according to the best of  
my knowledge, information and belief.

Further, the Taxpayer waives its rights to confidentiality under A.R.S. §§ 42-2001 through  
42-2004 with respect to tabs 3, 4, and 5 (sections 3, 4, and 5) of this report, and  
consents to the disclosure of such information to County Assessors and their personnel by  
the Arizona Department of Revenue in order to assure that all property is properly assessed  
and to help protect against double assessments.

\_\_\_\_\_  
Signature

Subscribed in my presence and sworn to before me, a Notary Public, in and for said County and  
State, by \_\_\_\_\_ on this the \_\_\_\_\_ day of  
\_\_\_\_\_, a.d. 20\_\_\_\_\_.

My commission expires \_\_\_\_\_, 20\_\_\_\_\_

In Witness Whereof, I have hereunto set my seal of office.

\_\_\_\_\_  
Signature

DIST ID: UM03 A  
 01/13/09 20:44:06  
 REPORT ID: PS1220 - 01  
 LATEST ACTIVITY: / /  
 ARIZONA DEPARTMENT OF REVENUE  
 CENTRALLY VALUED PROPERTIES SYSTEM  
 STATEMENT OF ORIGINAL COST - PER BALANCE SHEET  
 PAGE: 396  
 PS1221

TAXPAYER NAME	TRANS CODE	TP CL-NUM	TRANSACTION KEY	ACTION CODE	CURRENT YEAR BLDG & STRUCTURES	CURRENT YEAR PERSONAL PROP BLDG & STRUCTURES	PREVIOUS YEAR BLDG & STRUCTURES	PREVIOUS YEAR PERSONAL PROP	% CHANGE
OAK CREEK WATER CO #1									
C/O DICK SITTS									
	30	55-187	13	0370	299,292	1,122,207	301,173	1,046,005	
COUNTY TOTAL			13		000	000	301,173	1,046,005	
TAXPAYER TOTAL		55-187			000	000	301,173	1,046,005	

DIST ID: DM03 B

## ARIZONA DEPARTMENT OF REVENUE

PAGE: 667

DATE: 01/13/09

CENTRALLY VALUED PROPERTIES SYSTEM

LATEST ACTIVITY: / /

TAXPAYER PAGE 1

REPORT: PS1220-12

OPERATING LAND BY TAXPAYER

PS1224

TAXPAYER NUMBER		COUNTY AREA	PARCEL NUM	CLASS-NUM	ALPHA NUMBER	CODE	BK	MP	PARC	ACREAGE	LAND	FCV	NO	LEGAL DESCRIPTION	LINE
55-187	13	0970	408 26 429							.00	500	01	13	17N 5E	COPPER VISTA ESTATES WATER PRESSURE BOOSTER
02 SITE															
AREA TOTAL	1	PARCELS								.00	500				
55-187	13	0976	408 08 017							.34	15,300	01			OAK CREEK DEVELOPMENT # 1 SUB AMENDED
02 LOT 20 BLK A															
55-187	13	0976	408 08 078A							.52	13,000	01			OAK CREEK DEV #1 AMENDED: THE N 40' OF
02 LOT 27 BLK C															
55-187	13	0976	408 26 053							.14	30,000	01			PCL BY N & B 100X150'; BEG 262' W 795' S FROM N4 COR
02 SEC 13 CONT .344AC DESC 53/565 IN SE4 NE4 NW4 LESS PCL															
03 .12AC 389/405 & LESS .086AC 413/92 SEC 13 17 5E AP #60															
55-187	13	0976	408 26 336							.00	1,000	01	12	17N 5E	SADDLEROCK HOMES TRACT A
AREA TOTAL	4	PARCELS								1.00	59,300				
COUNTY TOTAL	5	PARCELS								1.00	59,800				
TAXPAYER TOTAL	5	PARCELS								1.00	59,800				